

Donald C. Spencer

Clerk Circuit Court & County Court

Santa Rosa County

MILTON, FLORIDA 32572-0472

William Wade Burroughs, CPA, CFE
Internal Auditor
6495 Caroline Street, Suite B
Milton, FL 32570-4592

Telephone: (850) 983-1955
Fax: (850) 983-1985
Email: burroughsw@flejn.net

MEMORANDUM

DATE: January 8, 2013

TO: Don Spencer, Clerk of Court

FROM: Wade Burroughs, Internal Auditor

CC: East Milton Volunteer Fire Department
Hunter Walker, County Administrator
Michael Burton, Financial Services Administrator/Fiscal

SUBJECT: East Milton Fire Department Review

The East Milton Volunteer Fire Department (EMVFD) was included in the Santa Rosa County Fire Protection Municipal Service Benefit Unit on May 28, 1992 in accordance with County Ordinance 92-06.

This review covers a twelve (12) month time frame beginning October 1, 2011 and ending September 30, 2012.

The department utilized all funds received from the County pursuant to the budget approved by the County.

The department submitted to the County proof of all expenditures for the 11-12 fiscal year. The checking account is not being reconciled properly. See finding below.

Checks numbered 4536 – 5164 and 5179 – 5307 were issued during the 11-12 fiscal year and have been accounted for in this review. Proof of invoice was provided for all checks.

All County MSBU disbursements were deposited in the East Milton Volunteer Fire Department checking account by Board Support Service. This review revealed the records are properly maintained and expenditures are supported by underlying documentation.

This review is strictly to determine the financial compliance of the department with regards to the MSBU funds received from Santa Rosa County, payable to the department. It does not imply or intend to cover or comment upon any other covenants. Work papers are available for further review.

Current year findings and recommendations:

1. Finding - Given the number of omissions and other errors to the check register, Treasurer's report and a review of the bank reconciliations it does not appear that the reconciler understands the purpose of the reconciliation. The ending balance arrived at on the reconciliation does not agree with the ending balance on the Treasurer's report. The check register is not used here to keep a running balance. In one instance (December 2011) the beginning balance on the reconciliation did not agree with the bank statement.

Recommendation – I believe the Quicken software that the Department uses has a bank reconciliation function where you enter the balance from the bank statement and then check all the items that cleared during the month. Then if the ending balance does not agree with the bank statement you know you have some items that were not entered and need to be corrected. I recommend the reconciler use this function. Also, I would be willing to help if necessary.

Follow-up on prior year findings and recommendations:

1. In the prior year there were expenditures of public funds totaling \$2,023.66 that were questionable as to whether they served a public purpose or were necessary to carry out the function of the department. We recommended that amount be reimbursed from non-public money. East Milton VFD provided documentation showing where they made significant purchases using non-public funds for items used for their public purpose. In addition they transferred \$400 from their non-public funds to the MSBU account. The combination of the purchases and transfer more than satisfied the "suggestion" that they reimburse the MSBU account for the prior year "questionable" purchases.
2. In the prior year there were several payments to the Florida Unemployment Compensation Fund with no documentation provided to support those payments. Documentation for payments made in this year to the Florida Unemployment Compensation Fund was provided.